IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE S.SIRI JAGAN

TUESDAY, THE 3RD APRIL 2007 / 13TH CHAITHRA 1930

WP(C).No. 11696 of 2007(P)

PETITIONERS:

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1. LISSY K.VARGHESE,PROPRIETRIX,SPINNEY'S LIFE STYLE,KMM BUILDINGS,PALARIVATTOM, COCHIN-682 025.

2. PEETHAMBARAN,S/O.KUNJU VELAYI, KALATHIL HOUSE,POOKLY BEACH ROAD,KOOLIMUTTAM, KODUNGALLUR,THRISSUR-680 109.

BY ADV. SRI.M.P.RAMNATH

RESPONDENT:

STATE BANK OF TRAVANCORE,PANAMPILLY NAGAR BRANCH,ERNAKULAM COCHIN-682 036 REPRESENTED BY THE BRANCH MANAGER.

BY ADV.SRI.SANTHOSH NINAN.

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 03/04/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

S.SIRI JAGAN, J.

W.P(C) NO. 11696 OF 2007 - P

Dated this the 3rd day of April, 2007

J U D G M E N T

The petitioners defaulted repayment of loan amount due from him to the respondent-Bank. The respondent-Bank initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002 (for short 'the Act'), which is under challenge in this writ petition. The petitioners would submit that they are prepared to regularise the loan account by paying the arrears due with interest till date of payment within one month and they also undertake to pay the future instalments as per the loan agreement in time.

2. Learned counsel for the Bank stoutly opposes the petitioner's prayer. According to him, in November 2006, the petitioners paid an amount of Rs.5 lakhs by cheque which bounced. As such, according to the respondent-Bank, the petitioners cannot be trusted with any further indulgence in the matter.

3. Having heard both sides, I feel that some more

indulgence can be shown to the petitioners in the matter of regularisation of the loan account. Accordingly, the writ petition is disposed of in the following terms:-

The petitioners shall pay the arrears due with interest up to the date of payment, required for regularising the loan account on or before 30.4.2007. If the petitioners so pay the arrears with interest, the respondent shall regularise the loan account and allow the petitioners to pay future instalments of repayment of loan in accordance with the loan agreement. However, if the petitioners do not either pay the arrears due with interest on or before 30.4.2007 or commit default in payment of any one of the instalments as per the loan agreement thereafter, it would be open to the respondent-Bank to continue the proceedings now initiated under the Act without having to issue any further notice or proceedings in that regard.

S.SIRI JAGAN,
Judge

Mbs/